

SENATE, No. 1446

STATE OF NEW JERSEY 220th LEGISLATURE

INTRODUCED FEBRUARY 10, 2022

Sponsored by:

Senator TROY SINGLETON

District 7 (Burlington)

Co-Sponsored by:

Senator Gopal

SYNOPSIS

“New Jersey American Dream Act”; appropriates \$25 million to provide down payment and home repair assistance to low and moderate income first-time homebuyers.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 2/14/2022)

1 AN ACT concerning housing assistance for certain homebuyers,
2 supplementing Title 52 of the Revised Statutes, and making an
3 appropriation.

4
5 **BE IT ENACTED** *by the Senate and General Assembly of the State*
6 *of New Jersey:*

7
8 1. P.L. , c. (C.) (pending before the Legislature as this
9 bill) shall be known and may be cited as the “New Jersey American
10 Dream Act.”

11
12 2. As used in P.L. , c. (C.) (pending before the Legislature
13 as this bill):

14 “Commissioner” means the Commissioner of Community Affairs.

15 “Department” means the Department of Community Affairs.

16 “Director” means the director of the division.

17 “Division” means the Division of Housing and Community
18 Resources in the department.

19 “Down payment assistance” means financial assistance for first-
20 time homebuyers to acquire single-family housing for principal
21 residence.

22 “First-time homebuyer” means a lower-income household in which
23 no person has owned a home during the three-year period prior to the
24 purchase of the single-family housing for which financial assistance is
25 provided.

26 “Grant program” means the “New Jersey American Dream
27 Program” established pursuant to section 3 of P.L. , c. (C.)
28 (pending before the Legislature as this bill).

29 “Home repair assistance” means financial assistance for first-time
30 homebuyers to complete capital improvements or repairs that: (1) are
31 identified in an appraisal or home inspection completed in conjunction
32 with a purchase of single-family housing; or (2) are completed within
33 one year of the purchase of single-family housing and are necessary to
34 bring the housing unit into compliance with any applicable health and
35 safety housing code, including but not limited to the remediation of
36 lead-based paint hazards.

37 “Low and moderate income household” means a household whose
38 gross income is not greater than 80 percent of the median gross
39 household income, according to the federal Department of Housing and
40 Urban Development, for households of the same size within the county
41 in which the single-family housing, for which financial assistance is
42 provided, is located.

43 “Overburdened community” means any census block group, as
44 determined in accordance with the most recent federal decennial census,
45 in which: (1) at least 35 percent of the households qualify as low-
46 income households; (2) at least 40 percent of the residents identify either
47 as minority or as members of a State recognized tribal community; or

1 (3) at least 40 percent of the households have limited English
2 proficiency.

3 “Principal residence” means the homestead actually and continually
4 occupied as the permanent residence of a household, as distinguished
5 from a vacation home, property owned and rented or offered for rent by
6 the household, or other secondary real property holdings.

7 “Single-family housing” means a one- to four-family residence, a
8 condominium unit, a cooperative unit, a combination of a manufactured
9 housing and lot, or a manufactured housing lot.
10

11 3. a. There is established in the division the “New Jersey American
12 Dream Program” to provide financial assistance for low and moderate
13 income households to achieve homeownership. The grant program shall
14 provide down payment assistance and home repair assistance to low and
15 moderate income households, who are first-time homebuyers, to defray
16 the costs associated with acquiring and rehabilitating single-family
17 housing for principal residence.

18 b. (1) The financial assistance shall be in the form of grant awards.
19 The grant awarded to each first-time homebuyer shall not exceed six
20 percent of the purchase price of the single-family housing or \$10,000,
21 whichever is greater. The grant award shall be used for down payment
22 assistance, home repair assistance, or any combination thereof.

23 (2) Each first-time homebuyer who receives financial assistance
24 through the grant program shall, prior to the award of financial
25 assistance, complete not less than eight hours of a homebuyer
26 counseling course, as directed by the department pursuant to subsection
27 c. of this section. The homebuyer counseling course shall include, but
28 not be limited to, coursework concerning:

29 (a) the maintenance of housing costs, including methods for
30 budgeting mortgage payments, utility charges, property taxes, and any
31 other applicable housing cost;

32 (b) the basics of home finance, property taxes, home warranties, and
33 home inspection;

34 (c) the legal components of finalizing a home purchase; and

35 (d) the process of finding an appropriate house, including how to
36 search real estate listings through a real estate agent or other sources.

37 c. (1) The commissioner, in consultation with the director, shall
38 promulgate rules and regulations pursuant to the "Administrative
39 Procedure Act," P.L.1968, c.410 (C.52:14B-1 et seq.), on or before the
40 first day of the third month next following the enactment of P.L. , c.
41 (C.) (pending before the Legislature as this bill), to effectuate the
42 purposes of the grant program. The rules and regulations shall, at a
43 minimum, set forth the requirements for application submissions, the
44 criteria for application selections, the eligible uses of financial
45 assistance, and the curriculum and provision of the homebuyer
46 counseling course.

47 (2) The division shall administer the grant program. The grant
48 program shall remain in operation for not less than four years following

1 the promulgation of the rules and regulations pursuant to paragraph (1)
2 of this subsection.

3 d. The division shall dedicate at least 20 percent of the grant awards
4 under the grant program to down payment assistance, home repair
5 assistance, or any combination thereof for homes located in
6 overburdened communities.

7 e. The annual appropriations act shall appropriate not less than \$25
8 million from the General Fund to the department, during each year in
9 which the grant program remains in operation, to defray the costs
10 associated with administering the grant program, except that the
11 department shall retain not more than five percent of the annual
12 appropriation for administrative costs.

13 f. The department shall submit an annual report to the Legislature,
14 pursuant to section 2 of P.L.1991, c.164 (C.52:14-19.1), concerning the
15 efficacy of the grant program for each year the grant program remains
16 in operation. The report shall provide an annual overview of the total
17 amount of down payment assistance and home repair assistance,
18 respectively, provided by the department, with information by census
19 tract on the race and ethnicity of the recipients of assistance provided
20 for that year. The report also shall analyze the impact of the financial
21 assistance on the total housing costs of the recipients of such assistance
22

23 4. There is appropriated \$25 million from the General Fund to
24 the Department of Community Affairs to defray the costs associated
25 with administering the “New Jersey American Dream Program,”
26 established pursuant to section 3 of P.L. , c. (C.) (pending
27 before the Legislature as this bill).
28

29 5. This act shall take effect immediately.
30
31

32 STATEMENT

33
34 This bill, known as the “New Jersey American Dream Act,”
35 establishes the “New Jersey American Dream Program” (“grant
36 program”) to provide financial assistance for certain lower-income
37 households to achieve homeownership.

38 Specifically, the grant program would provide down payment
39 assistance and home repair assistance to certain low and moderate
40 income, first-time homebuyers in order to defray the costs associated
41 with acquiring and rehabilitating single-family housing for principal
42 residence. Under the grant program, the maximum grant awarded to
43 each first-time homebuyer would not exceed six percent of the
44 home’s purchase price or \$10,000, whichever is greater. Each first-
45 time homebuyer who receives financial assistance through the grant
46 program, prior to the award of financial assistance, would also be
47 required to complete not less than eight hours of a homebuyer
48 counseling course, as directed by the Department of Community

1 Affairs (“department”). The homebuyer counseling course would
2 include, but not be limited to, coursework concerning:

3 (a) the maintenance of housing costs, including methods for
4 budgeting mortgage payments, utility charges, property taxes, and
5 any other applicable housing cost;

6 (b) the basics of home finance, property taxes, home warranties,
7 and home inspection;

8 (c) the legal components of finalizing a home purchase; and

9 (d) the process of finding an appropriate house, including how to
10 search real estate listings through a real estate agent or other sources.

11 Under the bill, eligible recipients of financial assistance would
12 include low and moderate income households who are first-time
13 homebuyers. The bill defines a “low and moderate income
14 household” as any household whose gross income is not greater than
15 80 percent of the median gross household income for households of
16 the same size within the county in which the single-family housing,
17 for which financial assistance is provided, is located. The bill defines
18 “overburdened community” as any census block group, as
19 determined in accordance with the most recent federal decennial
20 census, in which: (1) at least 35 percent of the households qualify as
21 low-income households; (2) at least 40 percent of the residents
22 identify either as minority or as members of a State recognized tribal
23 community; or (3) at least 40 percent of the households have limited
24 English proficiency. Additionally, a “first-time homebuyer” is
25 defined as any low and moderate income household in which no
26 person has owned a home during the three-year period prior to the
27 purchase of the single-family housing for which financial assistance
28 is provided.

29 The Division of Housing and Community Resources (“division”)
30 in the department would administer the grant program. Under the
31 bill, the Commissioner of Community Affairs, in consultation with
32 the director of the division, would be required to promulgate rules
33 and regulations within three months of the enactment of the bill to
34 effectuate the purposes of the grant program. Additionally, the
35 division is required to dedicate at least 20 percent of the grant awards
36 under the grant program to down payment assistance, home repair
37 assistance, or any combination thereof for homes located in
38 overburdened communities.

39 The bill requires the grant program to remain in operation for not
40 less than four years. During that time, the bill also requires the State
41 to annually appropriate not less than \$25 million from the General
42 Fund to support the operations of the grant program, except that the
43 department may not retain more than five percent of program funding
44 for administrative costs. Accordingly, the bill appropriates \$25
45 million from the General Fund to the department to support the grant
46 program’s first year of operations.

47 The bill provides that the department is required to submit an
48 annual report to the Legislature, concerning the efficacy of the grant

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1 program for each year the grant program remains in operation. The
2 report would provide an annual overview of the total amount of down
3 payment assistance and home repair assistance, respectively,
4 provided by the department, with information by census tract on the
5 race and ethnicity of the recipients of assistance provided for that
6 year. The report also would analyze the impact of the financial
7 assistance on the total housing costs of the recipients of such
8 assistance.